

Welcome

to the Delaware Association of Student Financial
Aid Administrators'

Financial Aid Night

Presented by:

Dominique Lawson

Financial Aid Officer for Verification- Delaware State University

Financial Aid Night Overview

- **FAFSA**
- **Verification**
- **Types of Financial Aid**
- **How to Determine Cost of Attendance**
- **How to Pay Your Balance**

FAFSA

(Free Application for Federal Student Aid)

- **What is FAFSA?**
- **Benefits**
- **How to apply**

FREE

Application for Federal Student Aid (FAFSA)

- A standard application that collects demographic and financial information about the student and family
- Used by colleges and universities in the United States to determine financial need
- Filed on-line at www.fafsa.gov each year
- Should be completed by student and parent who provides the most financial support for the student

FAFSA: How to file

- **The FAFSA must be signed electronically with a PIN (Both student and parent)**
 - Apply for PIN on-line at www.pin.ed.gov
- **Have following information handy:**
 - PIN for student and parent
 - Name, DOB, Social Security numbers for student and parent (and parent's spouse, if married.)
 - Tax return information for 2011 (use IRS data retrieval tool if possible.)
 - W2s
 - Information on child support you paid
 - Information on child support received and other untaxed income
 - Household size information (including number enrolled in college)
- **Download a “FAFSA on the Web Worksheet” before completing the FAFSA**

FAFSA

- ✘ Reported information used to calculate the Expected Family Contribution (EFC)
 - ✚ EFC ranges from 0 – 99,999. Students with the lowest EFC are eligible for the highest amount of government and college need-based financial aid; eligibility decreases as EFC increases
- ✘ Colleges use EFC to determine eligibility for certain types of financial aid. (If you don't do it – you'll miss out!!)
- ✘ The EFC should not be confused with your out-of pocket expense. It is a tool to determine financial need only. (So, if your EFC is “0” that does not mean your bill will be \$0.)

Verification – What is it and why do I have to do it?

- ✘ **Verification is a process to confirm information you provided on the FAFSA. The U.S. Department of Education selects some FAFSAs for verification. Others are selected by schools due to discrepancies in their data.**
- ✘ **These are the main reasons for being selected:**
 - ✚ **You were chosen randomly.**
 - ✚ **The FAFSA you submitted was incomplete.**
 - ✚ **Your FAFSA contains estimated information. (File taxes first and use IRS data retrieval too to avoid this!)**
 - ✚ **The data you provided on the FAFSA is inconsistent.**

By law, the school has the right to request any documentation it deems necessary to complete verification. Verification is not optional; if you are selected, failure to comply results in a loss of financial aid eligibility.

Types of Financial Aid YOU MAY BE OFFERED

- Institutional Scholarships and Grants
- State Scholarships and Grants
- Federal Grants
- Federal Loans
- Need-Based Student Employment (Federal Work Study)

TYPES OF AID: INSTITUTIONAL SCHOLARSHIPS AND GRANTS

- ✘ Money awarded by the College that does not need to be repaid
- ✘ Some may be merit-based (SEEDS, Inspire, etc.)
- ✘ Some may be need-based grants or scholarships: based upon EFC from FAFSA.

SEEDS and Inspire Scholarships

The intent of these programs is to offset the cost of in-state tuition, thereby increasing the number of Delawareans who stay in-state to attend college and complete degree programs.

Students must graduate from a Delaware high school, be fully admitted to UD, DTCC (SEEDS), or Del State (Inspire), meet all other scholarship eligibility requirements, and begin full-time enrollment the fall semester immediately following graduation

Student must file a FAFSA and have no felony convictions.

SEEDS vs. Inspire: What's the Difference?

SEEDS

For students enrolling in an Associates Degree program at DTCC or UD

Can be renewed once after the initial award year (2 years total)

Student must graduate with a 2.5 high school GPA to qualify and maintain a 2.5 cumulative college GPA

Award amount cannot exceed the cost of full-time tuition at DTCC.

Inspire

For students enrolling in a Bachelor's Program at Delaware State University

Can be renewed twice after the initial award year (3 years total)

Student must graduate with a 2.75 high school GPA to qualify and maintain a 2.75 cumulative college GPA

Award amount is \$3514 per year.

Must complete 10 hours of community service per semester

SEEDS and Inspire each require a FAFSA application. Students should file the FAFSA by each school's deadline and meet all eligibility requirements.

State Grants and Scholarships

- Offered by the Delaware Higher Education Commission for Delaware students attending college in-state
- Must complete FAFSA by April 15th and complete on-line DHEC scholarship application
- Visit website for more information
 - www.doe.k12.de.us/dhec or do a Google search for “Delaware Higher Education Commission”

TYPES OF AID: FEDERAL GRANTS

- ✘ Money awarded by the government that does not need to be repaid
- ✘ Federal Pell Grant
 - † Awarded on a sliding scale to “high need” students as determined by the FAFSA. (EFC range 0 – 5273)
 - † Award amounts range from \$5645 to \$555
 - † Eligibility re-evaluated each year; if you qualify – you get it
- ✘ Federal SEOG Grant
 - † For Pell-eligible students
 - † First come, first served. Funds are limited.

TYPES OF AID: FEDERAL LOANS

✘ Direct Student Loans (Stafford Loans)

- ✚ Money borrowed directly from the US Dept of Ed.
- ✚ Student must start repayment 6 mos. after done with school
- ✚ Not credit based – amounts limited to grade level and dependency status
 - ✘ A dependent freshman can borrow \$5500 (\$9500 with a parent PLUS loan denial....more about that later.)
- ✚ Two different types: Subsidized and Unsubsidized
- ✚ Must file a FAFSA to be eligible

Types of Financial Aid: Subsidized vs. Unsubsidized

✘ Subsidized: need-based

- + No interest accrues until repayment
- + Interest rate is 3.4%
- + Student can borrow up to \$3500 as a freshman, as determined by the EFC.

✘ Unsubsidized: not need-based

- + Interest begins to accrue immediately
- + Interest rate is 6.8%
- + Student can borrow up to \$5500 IN COMBINATION with Subsidized loan (e.g. \$3500 sub + \$2000 unsub = \$5500.)
- + Can be increased if parent is denied for Direct PLUS loan
- + Unpaid interest capitalizes (gets added on) to loan amount in repayment
- + Can make interest-only payments while in school

TYPES OF FINANCIAL AID: FEDERAL WORK STUDY

- ✘ Allows student to earn money to help pay for school costs
- ✘ Must have financial need as determined by the FAFSA
- ✘ Funds are limited, award not guaranteed.
- ✘ Each school will have it's own policies and procedures

BALANCE: DETERMING COST OF ATTENDANCE

- **Direct costs (Tuition, fees, housing, meal plan)**
- **Indirect costs**
- **Add Direct and indirect costs to determine cost of attendance (COA)**
- **Subtract financial aid from the COA to determine balance**

BALANCE: CALCULATING COA

- **Direct costs (what you are billed):**
 - Tuition and fees
 - Housing
 - Meal Plan
- **Indirect costs (additional costs you must consider)**
 - Books and supplies (**BOOKS ARE AN EXTRA EXPENSE!**)
 - Transportation
 - Personal expenses

How to pay your balance: loans

- Money students and parents borrow to help pay college expenses
- Repayment usually begins after education is finished
- Only borrow what is really needed
- Look at loans as an investment in the future

Direct PLUS Loans for Parents

- ✘ Borrowed from the US Dept of Education
- ✘ Interest Rate = 7.9% (Fixed for life of loan)
- ✘ Maximum loan amount based on COA
- ✘ Credit-based
- ✘ Repayment – up to 10 years to repay
 - + Can be deferred until student leaves school, but interest accrues immediately
- ✘ If a parent is denied, student is eligible for increased Unsubsidized Direct Loan
- ✘ Endorser option

Payment Plans

- Many schools have payment plans
- Usually only have an enrollment fee (no interest)
- Contact you school's Financial Aid Office or Bursar's (billing) Office for more information

OUTSIDE SCHOLARSHIPS

- Websites: www.fastweb.com
- High school guidance counselor
- Church and civic organizations
- Employers
- Never pay for scholarship services or searches.
- Never give your bank account information to any agency promising you a scholarship

QUESTIONS?

- If you would like a copy of this presentation, please email Dominique Lawson at dlawson@desu.edu